



Picture a place with miles of lakeshore, a central-city riverfront sprinkled with waterfalls, and a historic canal that flows through the heart of small-town America.

Now imagine a city surrounded by glacier-carved lakes, one of the largest collections of cobblestone homes in the country, right next door to a world-class wine country.

Birthplace of Fortune 500 firms Eastman Kodak Co., Xerox Corp. and Bausch & Lomb Inc.(B&L). Home to wine giant, Constellation Brands, as well as payroll processing firm Paychex Inc. and upscale grocer Wegmans Food Markets, two of Fortune's "Top 100 Companies to Work For", it's a region poised to build on its assets and embrace new opportunities in the 21st century.

Ranked #1 in patents per worker, it's no surprise the region is a research-and-development hotbed. Delphi Automotive, ExxonMobil, Johnson & Johnson, General Motors — not to mention Kodak, Xerox and B&L — are just some of the companies with major R&D centers in the region, focusing on fuel-cell and drug research, among others.

A medical center ranked among the top medical schools in the U.S.; a university Laboratory for Laser Energetics -- the only one like it in the world; and according to U.S. News & World Report, the # 1 music school in the country.

Welcome to Monroe County.

Overview

Monroe County and its principal city, Rochester, are located in western New York State where the Genesee river meets the south shore of Lake Ontario, approximately 70 miles east of the Buffalo/Niagara Falls area. With its headwaters in the uplands of northern Pennsylvania, the Genesee River drops in elevation almost 300 feet as it flows through Rochester, creating rapids and waterfalls.



Monroe County has a population of about 740,000 and a vibrant local economy with significant employment in emerging technology sectors. Monroe County companies sell a diversity of sophisticated products and services to customers around the world. The nine-county Rochester area is home to more than 4,000 exporting companies. More than 580 of those companies became “first-time exporters” during the past seven years (Rochester Business Alliance, International Business Council).

Monroe County Today

Monroe County is a center for innovation. Optics and imaging, biomedicine and biotechnology, tele-communications, high-tech manufacturing, printing and publishing, and food and beverages are among our core industries. We are home to a number of incubators.

Large corporations, small companies, and start-up organizations all benefit from our excellent educational resources, knowledgeable low-cost workforce, available and convenient infrastructure, and aggressive business incentives while enjoying our outstanding quality of life.

A strong industrial history and an emphasis on high quality public services—particularly public education—plus an unusually large higher education sector ensures a technically-sophisticated and reliable workforce.

Seventeen outstanding colleges and universities, in addition to three business and career schools, provide unsurpassed learning opportunities to more than 80,000 enrolled students. Everyday, our colleges and universities partner to support our economy, business environment, talented work force, and to nourish new discoveries in our innovative and vibrant community. We rank in the top five for degrees conferred in engineering, as well as mathematics, physical sciences, and biology. In addition, we can boast of five public high schools ranked among the 100 Best High Schools in America.

As a result of the wonderful education institutions combined with the availability of a talented labor pool, companies can tap into our low-cost labor force filled with some of the most creative and knowledgeable workers in the world. In the 2003-2004 World Knowledge Competitiveness Index Benchmarking Study conducted by Robert Huggins and Associates, Rochester ranked 4th of 125 world regions for “World Knowledgeable Competitiveness.”

Firms can take advantage of the region’s workforce while benefiting from low-cost land and buildings that are available and can suit any needs. We are easily accessible by plane, car, truck, and rail. Companies have access to reliable, low-cost utilities, and the infrastructure is among one of the best well-maintained in the nation — our average commute time is less than 20 minutes.

Businesses locating here can benefit from some of the best corporate incentive packages available in the country, under the New York State Empire Zone program. Additionally, many utility rate incentives and workforce development programs make us very competitive.

Our arts and culture coupled with sports and recreational amenities have resulted in Rochester as being one of the “Top 10 Places to Vacation,” as stated by *Money* magazine. Our low housing

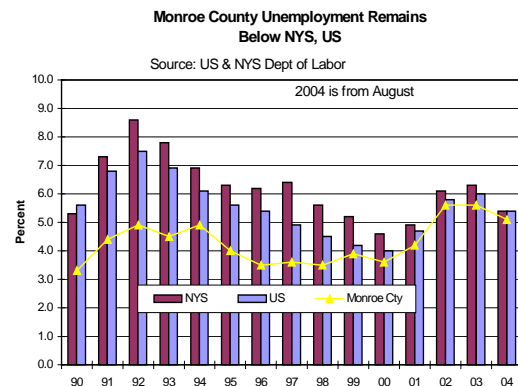
costs (39% more affordable than the US average) along with “environmental quality, parkland, ability to train new workers, education, and job market” has earned us the honor of “Most Livable Community.” (Partners for Livable Communities, 2000)

Rochester is a great place to work, a great place to do business and an absolutely great place to live.

Steady Growth in Monroe County Through 1990s and Beyond

From 1980 through the first half of 2004, the Rochester metropolitan area added 84,900 net new jobs. Business service employment soared in comparison with New York State as firms like Paychex and The Sutherland Group expanded their markets and their payrolls. While the transition from a manufacturing-based economy to a more service-based economy has reduced average income in many communities, payroll per job has remained at Monroe County's historically-high level (in constant dollar terms) as wages and salaries per job have been rising both in manufacturing and in the service sector

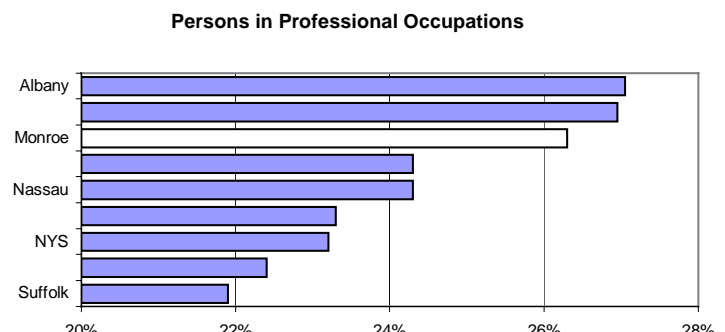
The underlying strength of the Monroe County economy is reflected in its unemployment rate. Rochester's unemployment rate averaged 4.0% during the 1990s while NYS and the nation experienced unemployment of 6.5% and 5.7%, respectively. Since 1980 (Kodak's contraction began in 1982), county unemployment has averaged 70% that of NYS. In many respects, Kodak's workforce reductions have enabled other firms to grow in an economy in which the scarcity of labor has limited growth.



Economic Profile of Monroe County

Until the last decade, Monroe County was dominated by major manufacturers particularly Kodak— employing highly skilled workers. As these companies restructured, the workers who left their employers have fueled the growth of numerous small and medium sized firms in a range of industries. In 1980, only 57% of employment was located in firms of 1000 employees or less—and most of these firms had direct or indirect linkages to major Monroe County firms like Kodak, Xerox or General Motors. By 2000, the share of employment in small and medium-sized firms had risen to 89% (CGR estimates from County Business Patterns data).

Eastman Kodak, Xerox, Bausch & Lomb, Delphi (formerly a division of General Motors) and Valeo Electrical Systems (another former GM division) are still important to the Monroe County economy. Yet the regional economy's future lies with fast-growing small and medium-sized firms, such as high technology manufacturers like Harris R.F. Communications, Apogent Technologies, and Hover-Davis; telecommunications firms like PAETEC; and information sector firms like Paychex, Harris Interactive, The Sutherland Group and Western NY Computing Systems. Monroe County's higher education sector, particularly expansion at the University of Rochester Medical Center (URMC), also holds significant promise for the future. Monroe County's higher education sector is responsible for a payroll of over \$800 million annually.



Source: Bureau of Census (Census 2000 Summary File 3)

Xerox, Delphi Energy and Chasis Systems, Harris R.F. Communications and many other smaller firms employ thousands of engineers and scientists in the Rochester area. Twenty-seven percent of employed county residents are in professional occupations. Monroe County ranks highest among New York State urban counties in the share of workers in computer and math occupations and also in architectural and engineering occupations.

The most tangible evidence of Monroe County's "output" of scientific innovation is the number of patents issued to inventors living in the Rochester area. Over 7,200 patents were issued to Monroe County inventors between 1995 and 1999, over four times the national average. Among the largest 100 metropolitan areas of the country, the number of patents issued per capita was second only to Silicon Valley's San Jose.

The community also has a large and vital higher education sector. Seventeen colleges and universities located in the region attract some of the brightest young minds in the country, plus many from other nations. Each year the Rochester MSA grants nearly 10,000 college & university degrees - many in key areas of technology such as mathematics, engineering, the physical sciences, the biological sciences and computer and information systems. On a per capita basis, Rochester ranks near the top of the 60 largest metro areas in granting degrees in many critical fields.



During FY 2002 the National Science Foundation and National Institutes of Health (NIH) together sent nearly \$160 million to the Monroe County area to support academic research. The influence of the universities on the economy is reflected in Monroe County's strong showing in key technology sectors, including computer & information services, telecommunications, health research-biotech-pharmaceuticals, medical and dental instruments & supplies, and printing & publishing. Both research universities are deeply committed to commercializing scientific discovery.

The successes of the University of Rochester Medical Center (URMC) have contributed to significant growth in health services employment. Since 1996, URMC has expanded its research facility dramatically, garnering increased funding from the NIH plus drug testing business from worldwide pharmaceutical companies. Royalties from licenses held by URMC reached \$42 million in FY 2002, vaulting the University of Rochester into the top ten of US universities with respect to earned royalties.

Data processing service employment and payroll in the Rochester area has been growing more rapidly in Monroe County than in any other part of New York State. Since 1980, payroll in the computer & data/information services cluster increased 18-fold from \$35.4 million in 1980 to \$630 million in 2000, three times the rate of the state as a whole (NYS Department of Labor). Employment has risen by 150% since just 1990, well above the rate of growth for the state, and comparable to that of the nation.

This cluster is receiving support from a new initiative at the Rochester Institute of Technology. A \$14 million contribution to RIT from Paychex founder Thomas Golisano established the B. Thomas Golisano College of Computing and Information Sciences. This complements the Institute's newly-established Information Technology Co-Laboratory.

The presence of Kodak, Xerox and Bausch & Lomb in the Rochester region has spawned an independent photonics cluster (defined as printing & publishing plus photographic equipment & supplies). Monroe County is responsible for one-third of New York State non-Kodak photonics employment.

Frontier Telephone Company of Rochester, Inc., now part of Texas-based Citizens Communications, employs 2,300. In addition, Monroe County is home to two fiber optics cabling companies. Nationwide weakness in the telecommunications investment sector has not kept

Fiber Technology and American Fiber Systems from continuing to acquire new customers. Corning maintains a presence in Monroe County through its Corning Tropol division.

Telecommunications Infrastructure

As the first telecommunications market in the nation to be deregulated, telecommunications in Monroe County is evolving at Internet speed. Telecommunication options in Monroe County are comparable to those available in any major US city. Many of the major telecommunications providers, including AT&T, Verizon, MCI-Worldcom, Sprint, and Time Warner, have a presence in Monroe County. This diverse array of carriers provides connectivity to all the major national ATM backbones, local SONET rings, and offers a wide variety of services ranging from advanced switching from carriers like AT&T to inexpensive connectivity from carriers like Qwest. Smaller, fast-growing telecommunications companies such as PAETEC, Choice One and Mpower cater to small and medium-sized businesses. Cybertech Wireless and other companies offer wireless internet access at speeds ranging from 128Kbps to 100Mbps. Internet connectivity over fiber optic cables is abundant for present and future community need.

Quality of Life

Monroe County offers a quality of life that is unsurpassed in Upstate New York. Home to the Eastman School of Music, one of the world's leading institutions, Monroe County provides access to a tremendous diversity of visual and performing arts institutions and events. From the Memorial Art Gallery, to Strong Children's Museum, to the Rochester Museum and Science Center, to the George Eastman House and world-renowned International Museum of Photography and Film, you'll soon realize that Rochester has far more arts and cultural offerings than almost any city its size.

Monroe County is also home to professional sports teams in baseball, hockey, soccer, lacrosse and arena football. We are home to prestigious Oak Hill Country Club - ranked 10th among "Americas 100 Greatest Golf Courses" (Golf Digest, May 2003), and for over 25 years the LPGA Wegman's Rochester International Tournament at Locust Hill Country Club. Four season outdoor recreation opportunities range from sailboat racing and deepwater fishing on Lake Ontario to camping, hunting and skiing in the Bristol Hills to windsurfing and boating on the Finger Lakes. Numerous Finger Lakes wineries boast wines that compete with the best in the world. The climate of the Finger Lakes is particularly well-suited to white wine production.

The region's assets are all within easy reach on a well-maintained, uncongested highway system. The Texas Transportation Institute reports that "Annual Delay per Driver" in Monroe County was only eight hours per peak road traveler in 2000. This is only one quarter of the congestion experienced by Milwaukee residents; one fifth of Indianapolis and one ninth of the time spent by NYC residents.

Finally, Monroe County is an affordable county. A wide variety of urban and suburban neighborhoods offer an array of housing options at reasonable prices. The National Association of Realtors reports that the median home price in the second quarter of 2003 was \$98,200. In fact, during the second quarter of 2003, Rochester ranked 11 out of 124 metro areas in single family home affordability.



Affordable and convenient for residents, diverse and prosperous for careers, varied and entertaining for leisure, all the ingredients that make Monroe County a great place to live, work and play. If you live here, visit here or want to learn about Monroe County, you will discover our heritage and our future are what make our present so strong.

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District 26	C. Mitchell Rowe
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COUNTY EXECUTIVE

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DEPUTY COUNTY EXECUTIVE

Richard F. Mackey

ASSISTANT COUNTY EXECUTIVE

Jerry J. Helfer

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Thomas Ferrarese, Commissioner
Peter M. Quinn, Commissioner

COUNTY CLERK

Cheryl Dinolfo

DISTRICT ATTORNEY

Michael C. Green

PUBLIC DEFENDER

Edward J. Nowak

SHERIFF

Patrick O'Flynn

COUNTY DEPARTMENTS

AVIATION	Terrence G. Slaybaugh, Director
BOARD OF ELECTIONS	Peter M. Quinn, Commissioner Thomas F. Ferrarese, Commissioner
COMMUNICATIONS	Lawrence Staub, Director
COUNTY CLERK	Cheryl Dinolfo, County Clerk
DISTRICT ATTORNEY	Michael C. Green, District Attorney
ENVIRONMENTAL SERVICES	John E. Graham, Director
FINANCE	Steve Gleason, Chief Financial Officer
DEPARTMENT OF HUMAN SERVICES	Patricia Stevens, Commissioner
HUMAN RESOURCES	Brayton M. Connard, Director
INFORMATION SERVICES	Nelson M. Rivera, Chief Information Officer
LAW	Daniel M. DeLaus, Jr., County Attorney
MONROE COMMUNITY HOSPITAL	Todd C. Spring, Executive Health Director
OFFICE OF MANAGEMENT & BUDGET	Bill Carpenter, Director
PARKS	Frank X. Allkofer, Director
PLANNING & DEVELOPMENT	Paul A. Johnson, Acting Director
PUBLIC DEFENDER	Edward J. Nowak, Public Defender
PUBLIC HEALTH	Andrew S. Doniger, M.D., Director
PUBLIC SAFETY	Stephen C. Bowman, Director
SHERIFF	Patrick M. O'Flynn, Sheriff
TRANSPORTATION	Terrence J. Rice, Director
VETERANS SERVICE AGENCY	James A. Carra, Director

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We welcome your comments and suggestions about this budget document.

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